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FM AMEMBASSY ALGIERS
TO RUEHC/SECSTATE WASHDC PRIORITY 5323
INFO RUEHEG/AMEMBASSY CAIRO 1005
RUEHFR/AMEMBASSY PARIS 2571
RUEHMD/AMEMBASSY MADRID 8822
RUEHRB/AMEMBASSY RABAT 2193
RUEHTU/AMEMBASSY TUNIS 7044
RUEHTRO/AMEMBASSY TRIPOLI
RUEHNK/AMEMBASSY NOUAKCHOTT 6242
RUEHNM/AMEMBASSY NIAMEY 1485
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UNCLAS SECTION 01 OF 02 ALGIERS 000220

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STATE FOR EEB/CBA (WINSTEAD) AND NEA/MAG (FLOWERS)
COMMERCE FOR NATE MASON

E.O. 12958: N/A

TAGS: [ECON](#) [BEXP](#) [KIPR](#) [ETRD](#) [AG](#)

SUBJECT: ALGERIA FY 08 BFIF PROPOSAL

11. SUMMARY AND JUSTIFICATION: Embassy Algiers submits the following request for FY 08 Business Facilitation Incentive Funds (BFIF) in support of commercial outreach outside of Algiers. The U.S.-Algeria commercial relationship has grown dramatically over the past 3 years -- from USD 11.5 billion in 2005 to approximately USD 20 billion in 2007 -- but remains focused on energy sector investments. There is great potential for U.S. business in non-energy sectors and also outside of the capital. In 2008, we would like to make four outreach trips: to south-central Algeria (Hassi Messaoud, Gassi Touil, In Salah); the east (Skikda, Annaba, El Tarf); the central-east (Bejaia, Djijel, Constantine); and the west (Mostaganem, Oran, Tlemcen, Sidi Bel Abbes). We estimate the total cost of all four trips will be USD 11,500. These outreach trips will not only allow us to visit American companies located outside of Algiers, but also to meet with local chambers of commerce, importers' associations, business councils, private industrial zones, and public and private Algerian companies who could partner with American companies and exporters. Regular (i.e., at least once every two years) outreach trips are critical to maintain our network of contacts, as well as to develop new contacts. Additional security in the form of Embassy bodyguard support, which will be mandated for most of these trips, increases the cost of the trips substantially. This BFIF support will enable us to supplement our reduced FY08 travel budget and compensate for cuts in the FCS travel budget mandated by the Department of Commerce. END SUMMARY AND JUSTIFICATION.

SOUTH-CENTRAL OUTREACH: HASSI MESSAOU, GASSI TOUIL, IN SALAH

12. Program Description: Econoff and Commercial Specialist would travel to the oil and gas center of Algeria, Hassi Messaoud, for commercial outreach. Hassi is the site of a large percentage of U.S. investment in Algeria and the center of numerous opportunities in both sectors. Nearly all outbound oil and gas pipelines traverse the city, where primary product quantities are measured and secondary products are refined. The passage of hydrocarbons reform legislation in spring 2005 has encouraged the GOA to seek partners to help Algeria extract resources from the ground efficiently and quickly, while energy prices remain high. The GOA has explicitly declared its interest in seeking additional U.S. service-firm partners to complement the approximately 50 U.S. service firms already operating in

country. Hassi is home to the offices of most oil and gas producer as well as service firms. Hassi also holds potential for U.S. firms in a variety of sectors, including oil and gas field services, construction, and corporate services (catering, housing, etc.). FCS has not previously conducted outreach to Hassi Messaoud, Gassi Touil, or In Salah.

Main sites to be visited would include:

- Hassi Messaoud
- Hassi Berkine (various company base camps)
- Gassi Touil
- In Salah

Duration: 3 to 4 days

Estimated Budget: USD 2,000

EASTERN OUTREACH: SKIKDA, ANNABA, EL TARF

13. Project Description: Econoff and Commercial Specialist would travel to Skikda, Annaba and El Tarf, areas which have not been visited in two years. Skikda is the site of a major oil refinery currently being built by Kellogg, Brown and Root (KBR). Annaba and El Tarf are major centers for heavy industry, particularly by state-owned companies. As the GOA begins to privatize these state-owned industrial companies, there is great potential for U.S. companies to invest. Annaba and El Tarf also represent a potential destination for U.S. exports.

Main sites to be visited include:

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- Port of Skikda and the petroleum industrial zone
- Annaba Chamber of Commerce and industrial zone
- El Tarf Chamber of Commerce and industrial zone

Duration: 3 to 4 days

Estimated Budget: USD 3,000

CENTRAL EASTERN OUTREACH: BEJAIA, DJIJEL, CONSTANTINE

14. Project Description: Econoff and Commercial Specialist would travel to the cities of Bejaia, Jijel and Constantine in north-central and northeastern Algeria. Bejaia is the center of agribusiness in the country. The region holds potential for U.S. investment and exports in plastics and light industrial manufacturing equipment. Bejaia is also home to Algeria's most dynamic Chamber of Commerce and the third-largest port in the country in terms of container traffic volume. Djijel has promise for the tourism industry and houses a well-known industrial zone in the port of Djendjen. This port was originally designed as a free trade zone, but after Algeria began working towards WTO accession, the GOA declared Djendjen to be an industrial zone. Constantine has promise in the construction, public works and healthcare sectors, as well as in equipment and educational supplies.

Main sites to be visited include:

- Port of Bejaia and the industrial zone of Akbou
- Cevital, Danone Djordjura, Ifri, Candia, and Soummam agribusiness industries (potential partners, consumers and distributors of U.S. products)
- Bejaia Chamber of Commerce
- Soummam Chamber of Commerce
- Port of Djendjen and the industrial zone
- Constantine Chamber of Commerce and industrial zone

Duration: 3 to 4 days

Estimated Budget: USD 3,000

15. Project Description: Econoff and Commercial Specialist would travel to the western cities of Mostaganem, Oran, Tlemcen, and Sidi Bel Abbès. The region is a major hub for Algerian private companies, which continue to be primarily oriented towards Europe. Several of these companies have told FCS that they are interested in developing ties with the U.S. This trip presents an opportunity to explore best prospects for U.S. business. Potential sectors for U.S. business include tourism, agribusiness, construction, healthcare/medical equipment and ICT.

Main sites to be visited include:

- Port of Mostaganem and industrial zone
- Port of Oran, New Hospital of Oran, industrial zone of Oran, Tapis d'Or (major private Algerian company), Forum des Chefs d'Entreprises (FCE), Telecom Institute, Hyproc (Sonatrach tanker company)
- Energy Port of Arzew
- Port of Ghazaouet
- Tlemcen Chamber of Commerce and Le Rouet (private Algerian textile company)
- Sidi Belabbès Chamber of Commerce and Djillali Liabes University

Duration: 3 to 4 days

Estimated Budget: USD 3,500

16. Embassy Points of Contact are Economic and Commercial Officer Jeff Mazur (E-mail: MazurJ@state.gov, Office: 213-0770-082-209) and Commercial Specialist Faiza Gamoura (E-mail: GamouraF@state.gov, Office: 213-0770-082-274).
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